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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11

12 **SID AVERY AND ASSOCIATES, INC. }**
13 **d/b/a MPTV IMAGES, }**
14

15 **Plaintiff,**

16 **v.**

17 **PIXELS.COM, LLC,**
18

19 **Defendant.**
20

Case No.: CV 18-10232-CJC(JEMx)

**ORDER GRANTING IN PART AND
DENYING IN PART DEFENDANT'S
MOTION FOR SUMMARY
JUDGMENT [Dkt. 94]**

21
22 **I. INTRODUCTION**
23

24 This is an action for copyright infringement regarding six vintage photographs that
25 were posted to “print-on-demand” websites operated by Defendant Pixels.com, LLC
26 (“Pixels”). (Dkt. 44 [First Amended Complaint, hereinafter “FAC”].) Plaintiff Sid
27 Avery and Associates, Inc. d/b/a MPTV Images owns copyrights to the images and
28 asserts claims for copyright infringement, as well as claims for removal and falsification

of copyright management information. (*Id.*) Before the Court is Pixels’ motion for summary judgment. (Dkt. 95 [Amended Notice and Motion]; Dkt. 94-1 [Memorandum in Support, hereinafter “Mot.”].) Pixels argues there is no genuine dispute of material fact regarding its direct liability and that it is shielded from vicarious liability under the Digital Millennium Copyright Act’s (“DMCA”) safe harbor provision, 17 U.S.C. § 512(c). For the following reasons, Pixels’ motion is **GRANTED IN PART** and **DENIED IN PART**.¹

II. BACKGROUND

Pixels operates several “print-on-demand” websites, including FineArtAmerica.com and DesignerPrints.com (“the Websites”). (Dkt. 101-27 [Plaintiff’s Statement of Genuine Disputes, hereinafter “SGD”] ¶ 1.1; Dkt. 101-15 [Transcript of the Deposition of Sean Broihier, hereinafter “Broihier Depo.”] at 20–22.)² Unlike other platforms, Pixels does not simply allow users to print their own images. Instead, it offers consumers the opportunity to purchase various products—including framed wall art, throw pillows, beach towels, phone cases, and tote bags—printed with images uploaded by its “contributors.” (SGD ¶¶ 1.1–1.10; Broihier Depo. at 110–112.) Pixels denies that it “sells” these goods. (*See, e.g.*, CSF at 1.) Instead, it describes itself as a “platform” and “marketplace” for artists, photographers, and image libraries to sell their art to consumers. (*See* SGD ¶ 1.1.) Semantics aside, the parties do not dispute the basic elements of Pixels’ business model.

¹ Having read and considered the papers presented by the parties, the Court finds this matter appropriate for disposition without a hearing. *See* Fed. R. Civ. P. 78; Local Rule 7-15. Accordingly, the hearing set for August 24, 2020 at 1:30 p.m. is hereby vacated and off calendar.

² “SGD” encompass both Pixels’ statement of uncontroverted facts in support of its motion for summary judgment, (Dkt. 94-27), and Plaintiff’s response, (Dkt. 101-27). Citations to “CSF” refer to Plaintiff’s “counter-statement of facts,” (Dkt. 94-27 at 58–64), and Pixels’ response and objections, (Dkt. 105-5). Plaintiff did not number its facts, so citations refer to the pagination in Pixel’s response. In all instances, cited facts are not substantively disputed unless otherwise indicated.

1 Pixels does not select or upload images to its Websites. (*Id.* ¶¶ 1.2–1.3.) Instead,
 2 its contributors decide what to upload. (*Id.*) To do so, they must agree to Pixels’
 3 Contributors Terms of Use and guarantee that they are not infringing on third party
 4 copyrights. (*Id.* ¶¶ 1.4–1.5.) After uploading, contributors can tag their images with
 5 keywords and select products their images will be sold on. (*Id.* ¶ 1.7; Broihier Depo. at
 6 56.) They can also choose to add digital watermarks—with the name of the Website—to
 7 the versions of their images that will be displayed online. (Broihier Decl. ¶ 13.) Pixels
 8 sets the base price for each product, and the contributors set the markup that they will
 9 earn for each sale. (Broihier Depo. at 55–57; CSF at 8.) Pixels contracts with third-party
 10 vendors, or “fulfillment centers,” that manufacture and ship the goods. (SGD ¶¶ 1.8–
 11 1.10; Broihier Depo. at 138.) It splits the base price with its vendors. (Broihier Depo. at
 12 55–57.)

13
 14 Pixels facilitates, processes, and executes the sales. On its Websites, consumers
 15 can search for images by keyword, review the available products for each image, place
 16 products in their virtual “shopping cart,” and make purchases. (*Id.* at 93–95, 110–16,
 17 162–63.) Pixels sends invoices to consumers, receives payments, transmits the orders to
 18 the vendors for production and shipping, pays the markup price to the contributor, pays a
 19 portion of the base price to its vendors, and retains the profit. (*Id.*) When an order is
 20 submitted, a Pixels employee confirms that the image will not appear blurry on the
 21 purchased product and cancels and refunds the order if the image quality is not suitable
 22 for printing. (*Id.* at 115; CSF at 4; Dkt. 94-2 [Declaration of Sean Broihier, hereinafter
 23 “Broihier Decl.”] ¶ 19.) Otherwise, Pixels maintains that its system is “fully automated.”
 24 (*See* Broihier Decl. ¶ 19.) Pixels has a designated agent for DMCA takedown
 25 notifications and systems in place to remove infringing images and disable accounts of
 26 repeat infringers. (Broihier Decl. ¶¶ 21–23.)

27
 28 The six images at issue in this case are photographs taken in the 1950’s, ‘60s, and

1 ‘70s by Sid Avery, a well-known Hollywood photographer. (CSF at 20–21.)³ They
 2 feature iconic celebrities: Frank Sinatra, James Dean, Steve McQueen, and the cast of the
 3 1960 film *Ocean’s Eleven*. (*Id.*) According to Plaintiff, “[l]imited edition prints of the
 4 images . . . can sell for thousands of dollars each, and [Plaintiff] licenses the images on a
 5 rights managed basis to the media and others.” (Dkt. 101-1 [Declaration of Andrew
 6 Howick, hereinafter “Howick Decl.”] ¶ 2.) In 1976, 2004, and 2014, representatives for
 7 Plaintiff applied for and received copyright registrations for the six images—Registration
 8 Numbers VAu 637-771, VAu 1-179-990, Ju 14776, and Ju 14671. (CSF at 20–22.) The
 9 copyrights are now held by Plaintiff, a company founded by Sid Avery. (*See* FAC ¶¶ 2,
 10 15.) Pixels claims that three of these four copyrights are invalid and unenforceable
 11 because the claimants submitted false information to the Copyright Office. (*See* SGD at
 12 41–58.)

13
 14 In the FAC, Plaintiff alleges that Pixels copied and distributed the six images
 15 without permission. (FAC ¶¶ 18–21.) Pixels concedes that it has sold at least one
 16 product displaying one of the images. (Broihier Depo at 152; Broihier Decl. ¶ 34.)⁴
 17 Plaintiff filed this action on December 10, 2018. (Dkt. 1.) It did not submit a DMCA
 18 notice to Pixels regarding any of the images at issue. (SGD ¶ 2.b.1.) Upon receiving the
 19 original Complaint and FAC, Pixels responded as if it had received a DMCA-compliant
 20 notice and removed the images containing the alleged infringement from the Websites.
 21 (*Id.* ¶ 2.b.2.) In the operative FAC, Plaintiff asserts three claims for (1) direct and
 22 vicarious copyright infringement, 17 U.S.C. § 501, (2) removal of copyright management
 23 information, 17 U.S.C. § 1202, and (3) falsification of copyright management
 24 information, 17 U.S.C. § 1202(a).

25
 26 ³ The FAC asserts claims related to eleven images, but Plaintiff has withdrawn its claims for five of
 27 them—Figures 4, 5, 6, 7, and 8 in Exhibit 1 to the FAC. (*See* FAC ¶ 12; Dkt. 54 [Order Granting Joint
 Notice of Withdrawal].)

28 ⁴ Pixels maintains that it has only sold one single product displaying an image identified in the FAC.
 (Broihier Decl. ¶ 34.) It claims that the sale was for \$114.05, with a profit of \$42.93. (*Id.*)

1 **III. LEGAL STANDARD**

2

3 The Court may grant summary judgment on “each claim or defense—or the part of

4 each claim or defense—on which summary judgment is sought.” Fed. R. Civ. P. 56(a).

5 Summary judgment is proper where the pleadings, the discovery and disclosure materials

6 on file, and any affidavits show that “there is no genuine dispute as to any material fact

7 and the movant is entitled to judgment as a matter of law.” *Id.*; *see also Celotex Corp. v.*

8 *Catrett*, 477 U.S. 317, 322 (1986). The party seeking summary judgment bears the initial

9 burden of demonstrating the absence of a genuine issue of material fact. *Celotex*, 477

10 U.S. at 325. A factual issue is “genuine” when there is sufficient evidence such that a

11 reasonable trier of fact could resolve the issue in the nonmovant’s favor. *Anderson v.*

12 *Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). A fact is “material” when its resolution

13 might affect the outcome of the suit under the governing law, and is determined by

14 looking to the substantive law. *Id.* “Factual disputes that are irrelevant or unnecessary

15 will not be counted.” *Id.* at 249.

16

17 Where the movant will bear the burden of proof on an issue at trial, the movant

18 “must affirmatively demonstrate that no reasonable trier of fact could find other than for

19 the moving party.” *Soremekun v. Thrifty Payless, Inc.*, 509 F.3d 978, 984 (9th Cir. 2007).

20 In contrast, where the nonmovant will have the burden of proof on an issue at trial, the

21 moving party may discharge its burden of production by either (1) negating an essential

22 element of the opposing party’s claim or defense, *Adickes v. S.H. Kress & Co.*, 398 U.S.

23 144, 158–60 (1970), or (2) showing that there is an absence of evidence to support the

24 nonmoving party’s case, *Celotex*, 477 U.S. at 325. Once this burden is met, the party

25 resisting the motion must set forth, by affidavit or as otherwise provided under Rule 56,

26 “specific facts showing that there is a genuine issue for trial.” *Anderson*, 477 U.S. at 256.

27 A party opposing summary judgment must support its assertion that a material fact is

28 genuinely disputed by (1) citing to materials in the record, (2) showing the moving

party's materials are inadequate to establish an absence of genuine dispute, or (3) showing that the moving party lacks admissible evidence to support its factual position. Fed. R. Civ. P. 56(c)(1)(A)–(B).

In considering a motion for summary judgment, the court must examine all the evidence in the light most favorable to the nonmoving party, and draw all justifiable inferences in its favor. *Id.*; *United States v. Diebold, Inc.*, 369 U.S. 654, 655 (1962); *T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass'n*, 809 F.2d 626, 630–31 (9th Cir. 1987). The court does not make credibility determinations, nor does it weigh conflicting evidence. *Eastman Kodak Co. v. Image Tech. Servs., Inc.*, 504 U.S. 451, 456 (1992). But conclusory and speculative testimony in affidavits and moving papers is insufficient to raise triable issues of fact and defeat summary judgment. *Thornhill Publ'g Co. v. GTE Corp.*, 594 F.2d 730, 738 (9th Cir. 1979).

IV. ANALYSIS

Pixels seeks summary judgment based on Plaintiff's lack of evidence and its own affirmative defense.⁵ First, Pixels argues that there is no genuine dispute of material fact as to its direct liability for copyright infringement because Plaintiff cannot establish that it engaged in volitional conduct. It mounts a similar challenge to Plaintiff's copyright management information claims. Second, Pixels claims that it is protected from vicarious liability for copyright infringement under the DMCA's safe harbor provision. Pixels also challenges the validity of three of the four copyright registrations at issue, and

⁵ In its Objection to Plaintiff's Counterstatement of Facts, Pixels raises several evidentiary objections. (*See* Dkt. 105-5.) Most of its objections challenge "misrepresentations" of the evidentiary record in the Counterstatement. (*See id.*) For disputed facts, the Court relies on the underlying evidence and not Plaintiff's characterization of that evidence. Accordingly, these objections are overruled as moot. Pixels also challenges the authentication and foundation of various pieces of evidence lodged in support of Plaintiff's opposition—for example, printouts of webpages and emails. (*See id.* at 12, 14–15.) Because the Court does not rely on this evidence, these objections are also overruled as moot.

1 finally, argues that any damages for copyright infringement should be limited based on
 2 Plaintiff's failure to produce evidence of willful infringement. The Court grants Pixels'
 3 motion as to Plaintiff's copyright management information claims, and denies it on the
 4 remaining issues and claims.

5 6 **A. Direct Liability for Copyright Infringement**

7
 8 In its first cause of action, Plaintiff seeks to hold Pixels liable for both direct and
 9 vicarious copyright infringement under 17 U.S.C. § 501. (FAC ¶¶ 27–34.) To prove
 10 direct copyright infringement, a plaintiff must show (1) “ownership of the allegedly
 11 infringed material,” (2) defendant “violate[d] at least one exclusive right granted to”
 12 plaintiff under 17 U.S.C. § 106, and (3) causation. *VHT, Inc. v. Zillow Grp., Inc.*, 918
 13 F.3d 723, 731 (9th Cir.) (internal quotations omitted), *cert. denied*, 140 S. Ct. 122 (2019).
 14 Pixels argues that there is no genuine dispute of material fact as to causation, commonly
 15 referred to as the “volitional-conduct requirement.” *See id.* The Court disagrees.

16
 17 “[V]olition in this context does not really mean an act of willing or choosing or an
 18 act of deciding.” *Perfect 10, Inc. v. Giganews, Inc.*, 847 F.3d 657, 666 (9th Cir. 2017)
 19 (citations omitted). Instead, “it simply stands for the unremarkable proposition that
 20 proximate causation historically underlines copyright infringement liability no less than
 21 other torts.” *Id.* In copyright actions, “direct liability must be premised on conduct that
 22 can reasonably be described as the direct cause of the infringement.” *Id.* (citation
 23 omitted). “This prerequisite takes on greater importance in cases involving automated
 24 systems.” *VHT*, 918 F.3d at 731. “[D]irect copyright liability for website owners arises
 25 when they are actively involved in the infringement.” *Id.* at 732. The traditional
 26 metaphor imagines a print shop that makes a copy machine available for public use at a
 27 fixed rate and allows customers to operate the machine themselves. *See CoStar Grp.,*
 28 *Inc. v. LoopNet, Inc.*, 373 F.3d 544, 550 (4th Cir. 2004). “When a customer duplicates

1 an infringing work, the owner of the copy machine is not considered a direct infringer.”
 2 *Id.* By contrast, if a copy shop works with a professor to print and sell “course packets”
 3 with infringing material to students, it engages in volitional conduct. *See Cartoon*
 4 *Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121, 131–32 (2d Cir. 2008)
 5 (discussing *Princeton Univ. Press v. Mich. Document Servs., Inc.*, 99 F.3d 1381, 1383–
 6 84 (6th Cir. 1996)). Applying this distinction, the Ninth Circuit explains that “automatic
 7 copying, storage, and transmission of copyrighted materials, when instigated by others,
 8 do not render an Internet service provider strictly liable for copyright infringement.”
 9 *VHT*, 918 F.3d at 732 (quotations omitted and cleaned up). Instead, to establish
 10 volitional conduct, a plaintiff “must provide some evidence showing the alleged infringer
 11 exercised control (other than by general operation of its website); selected any material
 12 for upload, download, transmission, or storage; or instigated any copying, storage, or
 13 distribution of [the] photos.” *Id.* (cleaned up).

14
 15 It is undisputed that Pixels does not select or upload images to its Websites. (SGD
 16 ¶¶ 1.2–1.3.) Although it reviews images tagged with certain keywords for pornographic
 17 content, this kind of screening does not establish control over user content. *See Ventura*
 18 *Content, Ltd. v. Motherless, Inc.*, 885 F.3d 597, 613 (9th Cir. 2018) (holding that service
 19 providers removal of content that violates terms of use does not establish control). The
 20 issue is whether Pixels’ subsequent role in marketing, manufacturing, and distributing
 21 infringing products involves “volitional” conduct—in other words, whether it resembles
 22 the copy shop selling infringing course packets to students. *See Princeton Univ. Press*,
 23 99 F.3d at 1383–84. Plaintiff asserts that, during these steps, Pixels’ role is *not* passive
 24 because it uses targeted advertising and controls the manufacturing and distribution of
 25 products. (See Dkt. 101 [Opposition, hereinafter “Opp.”] at 15.) The Court finds that
 26 there are genuine disputes of material fact on this issue.

1 Pixels argues that it does not engage in volitional conduct at these stages because
 2 (1) its processes are fully automated and (2) it contracts out manufacturing and shipping
 3 to third party vendors. (*See* Mot. at 5–6.) The Court is not persuaded. First, Pixels
 4 admits that, after every purchase, an individual employee “confirms on a computer
 5 screen that the image will not appear blurry on the product purchased.” (Broihier Decl.
 6 ¶ 19.) If there are issues with the image, the company cancels and refunds the order.
 7 (Broihier Depo. at 115; CSF at 4.) If not, “Pixels’ automated process then directs the
 8 image, merchandise, and customer information to an independent vendor with which
 9 Pixels has contracted.” (Broihier Decl. ¶ 19.) In other words, an individual employee
 10 reviews every image for every order. (*Id.*) This human touch suggests that Pixels’
 11 transmission of images to its vendors may not be truly “automatic.” *Cf. Wolk v. Kodak*
 12 *Imaging Network, Inc.*, 840 F. Supp. 2d 724, 742 (S.D.N.Y. 2012) (finding no volitional
 13 conduct because “[t]here is no dispute that any reproduction, display or transmission of
 14 the Plaintiff’s images by or through the KODAK Gallery website is an automated
 15 process with no human intervention by any employee of the Kodak Defendants”), *aff’d*,
 16 569 Fed. App’x 51 (2d Cir. 2014).

17
 18 Pixels next asserts that, because it contracts with third party vendors to
 19 manufacture and ship its products, it cannot be responsible for any volitional conduct
 20 during these steps. (*See* Mot. at 6.) The Court disagrees. Pixels claims that it is not
 21 “affiliated” with any of its vendors, but offers very few details about its relationship with
 22 them. (*See* Broihier Decl. ¶ 19.) It simply explains that the vendors receive some
 23 portion of the base price for each product and, in exchange, manufacture and ship the
 24 products. (*See id.*) In *Mavrix Photographs, LLC v. Livejournal, Inc.*, the Ninth Circuit
 25 explained that common law principles of agency determine whether an internet service
 26 provider is responsible for the actions of possible agents. 873 F.3d 1045, 1053 (9th Cir.
 27 2017). “An agency relationship may be created through actual or apparent authority”
 28 and depends primarily “on the level of control a principal exerts over the agent.” *Id.* at

1 1054–56. In *Mavrix*, the Ninth Circuit concluded that there were genuine issues of
2 material fact as to whether the defendant, a social media platform, could be responsible
3 for the actions of unpaid “moderators,” who screened content for user-created
4 communities. *See id.* If these volunteers can act as the agents of a social media
5 platform, it bears reason that Pixels’ vendors—who have a formal, contractual
6 relationship with Pixels—may act as Pixels’ agents.

7
8 Indeed, the vendors apparently manufacture and ship goods based on information
9 they receive from Pixels. (*See Broihier Decl.* ¶ 19.) Pixels has not offered any other
10 details about the degree of control it exercises over its vendors. It does, however,
11 concede that at least one vendor used the name of an entity affiliated with Pixels, “Sean
12 Broihier and Associates, LLC,” on invoices and return addresses. (*Id.*) There is also
13 evidence that pillows manufactured by a Pixels’ vendor bear the “Pixels” label. (*See*
14 *Howick Decl.* ¶¶ 13–17; Dkt. 101-9.) This is sufficient to create a genuine issue of
15 material fact as to whether the vendors act as Pixels’ agents based on apparent or actual
16 authority. *See Mavrix*, 873 F.3d at 1054–56. Because Pixels offers no information about
17 how its vendors operate, the Court cannot assess whether their processes are automated
18 or involve volitional conduct. *See Giganews*, 847 F.3d at 666. Based on this uncertainty
19 and Pixels’ active participation in quality control, the Court finds that there are genuine
20 issue of material fact as to whether it engage in volitional conduct. *See VHT*, 918 F.3d at
21 732.⁶

22
23 //

24 //

25
26 ⁶ The Court is also skeptical that that “automation” is a panacea when the infringing conduct is
27 manufacturing and distributing consumer goods, as opposed to facilitating electronic access to user-
28 generated content. Pixels does more than just copy, store, and transit images—it causes them to be
printed on knickknacks sold to consumers. *See Greg Young Publishing, Inc. v. Zazzle, Inc.*, 2017 WL
2729584, at *8 (C.D. Cal. May 1, 2017) (holding that because the defendant “created” the products at
issue it was not dispositive that its production process was “effectively automatic”).

B. Vicarious Liability for Copyright Infringement

Pixels’ affirmative defense fails for similar reasons. It argues that, as a matter of law, it is shielded from vicarious liability under the DMCA’s safe harbor provision. The Court finds that Pixels cannot make this showing. Congress enacted the safe harbor provision of the DMCA, the Online Copyright Infringement Liability Limitation Act (“OCILLA”), to address “[d]ifficult and controversial questions of copyright liability in the online world.” *Ellison v. Robertson*, 357 F.3d 1072, 1076 (9th Cir. 2004). Congress established a mechanism whereby copyright owners can notify online service providers of infringing material, and the service provider must remove or disable access to the material—the “notice and take down” procedure. *See* 17 U.S.C. § 512(c)(1), (3). Service providers that follow these procedures are afforded safe harbors for certain kinds of conduct. *See id.* § 512(c). Congress endeavored to create “strong incentives for service providers and copyright owners to cooperate to detect and deal with copyright infringements that take place in the digital networked environment.” *Rossi v. Motion Picture Ass’n of Am., Inc.*, 391 F.3d 1000, 1003 (9th Cir. 2004) (quoting H.R. Rep. No. 105-551, pt. 2, at 49 (1998)).

At issue here is 17 U.S.C. § 512(c), which protects service providers from liability for “infringement of copyright by reason of the storage at the direction of a user of material that resides” on the provider’s system or network, if certain requirements are met. 17 U.S.C. § 512(c)(1). These requirements are that the service provider:

(A)(i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing;

(ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent; or

1 (iii) upon obtaining such knowledge or awareness, acts expeditiously
2 to remove, or disable access to, the material;

3 (B) does not receive a financial benefit directly attributable to the
4 infringing activity, in a case in which the service provider has the
5 right and ability to control such activity; and

6 (C) upon notification of claimed infringement as described in
7 paragraph (3), responds expeditiously to remove, or disable access
8 to, the material that is claimed to be infringing or to be the subject of
9 infringing activity.

10 17 U.S.C. § 512(c)(1)(A)–(C).⁷

11 Pixels has the burden of affirmatively demonstrating each element of this
12 affirmative defense and showing that any “reasonable trier of fact” would rule in its
13 favor. *See Soremekun*, 509 F.3d at 984. The first three elements are undisputed. Pixels
14 has presented evidence that it did not have notice of the infringing material until after
15 Plaintiff filed suit and it acted expeditiously thereafter. (*See Broihier Decl.* ¶¶ 25–28.)
16 Plaintiff does not dispute this evidence, nor does it argue that Pixels had constructive or
17 “red flag” notice of the infringement. (*See SGD* ¶¶ 2.b.1–3); *see also* 17 U.S.C. §
18 512(c)(1)(A)(ii). Instead, the issue is whether Pixels is disqualified from safe harbor
19 because it receives a direct financial benefit from the infringing activity and has the right
20 and ability to control the infringing activity. *See* 17 U.S.C. § 512(c)(1)(B).

21
22 A service provider has the “right and ability to control” infringing conduct if it
23 “exert[s] substantial influence on the activities of users.” *UMG Recordings, Inc. v.*
24 *Shelter Capital Partners LLC*, 718 F.3d 1006, 1030 (9th Cir. 2013) (quoting *Viacom*

25
26 ⁷ The service provider must also have a designated agent to receive notifications of claimed
27 infringement, 17 U.S.C. § 512(c)(2), and have adopted and reasonably implemented a policy that
28 provides for the termination of “repeat infringers” and does not interfere with standard technical
measures, 15 U.S.C. § 512(i). Pixels has presented uncontested evidence that it satisfies these
requirements, and Plaintiff does not argue otherwise.

1 *Int'l, Inc. v. YouTube, Inc.*, 676 F.3d 19, 38 (2d Cir. 2012)). This means “something
2 more” than the ability to remove or block access to material, locate infringing material,
3 or terminate users’ access. *Mavrix*, 873 F.3d at 1058. “The service provider exerts high
4 levels of control, for example, when it, prescreens sites, gives them extensive advice,
5 prohibits the proliferation of identical sites, provides detailed instructions regarding
6 issues of layout, appearance, and content, and ensures that celebrity images do not
7 oversaturate the content.” *Id.* (cleaned up). Several district courts have held that online
8 marketplaces like eBay and Amazon do not have the right and ability to control the sale
9 of infringing material when they are not “actively involved in the listing, bidding, sale
10 and delivery of any item offered for sale on its website.” *See Hendrickson v. eBay, Inc.*,
11 165 F. Supp. 2d 1082, 1094 (C.D. Cal. 2001); *see also Hendrickson v. Amazon.com, Inc.*,
12 298 F. Supp. 2d 914, 918 (C.D. Cal. 2003).

13
14 The Court finds that there is a genuine dispute of material fact as to Pixels’ right
15 and ability to control the infringing conduct. The evidence in the record suggests that,
16 unlike eBay and Amazon, Pixels may have an active role in designing, listing, selling,
17 manufacturing, and delivering products. *Cf. Hendrickson v. eBay*, 165 F. Supp. 2d at
18 1094. Amazon and eBay’s third-party vendors make their own decisions about what
19 kind of products to sell. *See Hendrickson v. Amazon*, 298 F. Supp. 2d at 918. They are
20 “the actual seller[s].” *Id.* at 915. By contrast, Pixels’ “fulfillment centers” apparently
21 manufacture and ship products at Pixels’ direction and based on Pixels’ specifications.
22 (See Broihier Decl. ¶ 19.) The evidence in the record suggests that Pixels—not its
23 vendors—determine the menu of products that will be available on the Websites. (See
24 *id.*) As discussed above, Pixels may be liable for the conduct of its vendors to the extent
25 they acted under Pixel’s actual or apparent authority. *See Mavrix*, 873 F.3d at 1054–56.

26
27 To be sure, Pixels’ contributors decide what images to upload, and Pixels’ does not
28 prescreen images. (See Broihier Decl. ¶¶ 9–10.) But, unlike cases involving social

1 media and file sharing platforms, the infringing conduct at issue here is not simply
2 facilitating online access to copyrighted material. *Cf. Columbia Pictures Indus., Inc. v.*
3 *Fung*, 710 F.3d 1020, 1044–46 (9th Cir. 2013) (considering whether peer-to-peer file
4 sharing platform had ability to control infringing activity); *Mavrix*, 873 F.3d at 1059
5 (same for social media platform). Instead, Pixels and its vendors use contributors’
6 images to create products that are sold to consumers—transferring them from
7 photographs to phone cases. In so doing, they may exercise control over user-generated
8 content. *See Zazzle, Inc.*, 2017 WL 2729584, at *8 (“If Zazzle lacks the right and ability
9 to control the sale of products it creates, it is hard to imagine any defendant that would
10 have such a right.”) Calling one’s business a “platform” is not a magic wand. Under
11 similar facts, at least two district courts have concluded that similar print-on-demand
12 platforms may have the right and ability to control infringing conduct. *See id.*; *Gardner*,
13 2014 WL 794216, at *8–9). As discussed above, there are genuine disputes of material
14 fact as to Pixels’ control over its vendors and, ultimately, its role in selling, pricing,
15 manufacturing, inspecting, packaging, and delivering the infringing products.
16 Accordingly, there are genuine issues of material fact as to whether Pixels has the right
17 and ability to control the infringing conduct.

18
19 The Court also finds that Pixels cannot meet its burden of establishing that it does
20 not receive a financial benefit from the infringing conduct. “[A] service provider
21 receives a direct financial benefit from infringing activity where ‘there is a causal
22 relationship between the infringing activity and any financial benefit a defendant reaps,
23 regardless of how substantial the benefit is in proportion to a defendant’s overall
24 profits.’” *Fung*, 710 F.3d at 1044 (quoting *Ellison v. Robertson*, 357 F.3d 1072, 1079
25 (9th Cir. 2004)). Pixels urges the Court to apply the Ninth Circuit’s analysis in cases
26 involving subscription-based websites, file sharing networks, and social media platforms.
27 (*See Mot.* at 10–11 [*citing Ellison v. Robertson*, 357 F.3d 1072, 1079 (9th Cir. 2004);
28 *Fung*, 710 F.3d at 1044].) In those cases, the Ninth Circuit explained that the relevant

1 inquiry is “whether the infringing activity constitutes a draw for subscribers, not just an
2 added benefit.” *Robertson*, 357 F.3d at 1079; *see also Perfect 10, Inc. v. CCBill LLC*,
3 488 F.3d 1102, 1117–18 (9th Cir. 2007) (applying the same test).

4
5 “In determining whether the financial benefit criterion is satisfied, courts should
6 take a common-sense, fact-based approach, not a formalistic one.” S. Rep. No. 105-190,
7 at 44 (1998). It would defy common sense to apply the Ninth Circuit’s “draw-for-
8 subscribers” analysis to a website that does not have subscribers and earns revenue from
9 selling products, not advertising. For example, in *Fung*, the Ninth Circuit explained that
10 the amount of infringing material on the service provider’s websites supported the
11 inference that its “revenue stream is predicated on the broad availability of infringing
12 materials for [its] users, thereby attracting advertisers.” 710 F.3d at 1045. This analysis
13 simply does not fit here. Pixels does not sell any advertising on any of its Websites.
14 (Broihier Decl. ¶ 16.) Accordingly, drawing visitors has no direct impact on revenue.
15 *Cf. Fung*, 710 F.3d at 1045. Instead Pixels earns revenue from the sale of its products.
16 (Broihier Decl. ¶ 15.) Pixels concedes that it has sold at least one product with one of the
17 six images and earned a profit of \$42.93 from that sale. (*Id.* ¶ 34.) Accordingly, there is
18 a “causal relationship” between the infringing activity—manufacturing and selling a
19 product—and the financial benefit. *See Fung*, 710 F.3d at 1044. The fact that this
20 benefit is insubstantial compared to Pixels’ overall profits is not dispositive. *Id.*

21
22 Ultimately, there are genuine issues of material fact as to whether Pixels has the
23 right and ability to control the infringing activity, and Pixels cannot establish that any
24 reasonable jury would find that it does not receives a direct financial benefit. *See*
25 17 U.S.C. § 512(c)(1)(B). Accordingly, it cannot establish that it is shielded from
26 liability under § 512(c) at this stage.

27
28 //

1 **C. Removal of Copyright Management Information**

2
3 Pixels argues that there is no genuine issue of material fact as to Plaintiff's second
4 claim for removing copyright management information ("CMI") in violation of
5 17 U.S.C. § 1202(b). It has presented evidence that it did not remove any CMI from any
6 of the images at issue in this case. (*See Broihier Decl.* ¶ 33.) In its opposition, Plaintiff
7 "concedes that discovery has not revealed facts to support its claim for removal of
8 copyright management information." Accordingly, Pixels' motion for summary
9 judgment is **GRANTED** as to this claim.

10
11 **D. Falsification of Copyright Management Information**

12
13 Pixels also argues that there is no genuine issue of material fact as to Plaintiff's
14 third claim for falsifying CMI in violation of 17 U.S.C. § 1202(a). To establish liability
15 under § 1202(a), Plaintiff must show that Pixels "knowingly and with the intent to
16 induce, enable, facilitate, or conceal infringement" either (1) "provide[d] copyright
17 management information that is false," or (2) "distribute[d] or import[ed] for distribution
18 copyright management information that is false." 17 U.S.C. § 1202(a). Plaintiff's theory
19 is that Pixels' Websites allowed a contributor to put the "Fine Art America" watermark
20 on its copyrighted images. (*See Opp.* at 15–16.) Pixels argues that Plaintiff has no
21 evidence to support its claim that Pixels acted knowingly or with intent "to induce,
22 enable, facilitate, or conceal infringement." *See* 17 U.S.C. § 1202(a). The Court agrees.

23
24 "Summary judgment is generally inappropriate when mental state is an issue,
25 unless no reasonable inference supports the adverse party's claim." *Vucinich v. Paine,*
26 *Webber, Jackson & Curtis, Inc.*, 739 F.2d 1434, 1436 (9th Cir. 1984). "A plaintiff,
27 however, must offer more than conclusory allegations, and if the defendant presents
28 affidavits or other evidence establishing a lack of scienter, the plaintiff must come

forward with some affirmative showing.” *Id.* Assuming, for the sake of argument, that Pixels could be liable for helping a contributor place the “Fine Art America” watermark on the images at issue, there is no reasonable inference that Pixels acted with the requisite intent or knowledge. Pixels does not require or even encourage contributors to use watermarks. (*See Broihier Depo.* at 27.) In fact, it warns them that “[w]atermarks may confuse buyers and discourage them from purchasing your artwork.” (*See Dkt.* 105-5.) Pixels allows contributors to watermark their images to address concerns about viewers downloading images from the Websites without permission. (Broihier Decl. ¶ 13.) Moreover, Plaintiff concedes, based on Pixels’ undisputed evidence, that Pixels lacked actual or constructive notice that the six images at issue here infringed on Plaintiff’s copyrights. (*See SGD* ¶¶ 2.b.1–3.) Nevertheless, it claims that Pixels’ knowledge and intent to facilitate infringement can be inferred from Pixels’ “possession” of the watermarked images. (Opp. at 15.) This inference is unreasonable and unsupported by any evidence in the record. Because there is no genuine dispute of material fact as to Pixels’ knowledge and intent to induce, enable, facilitate, or conceal infringement, Pixels’ motion is **GRANTED** as to Plaintiff’s § 1202(a) claim.

E. Validity of Copyrights

Pixels also seeks partial summary judgment as to four of the six images at issue on the grounds that the underlying copyright registrations are invalid and unenforceable. Specifically, it challenges the validity of Ju 14776 (the “1976 Registration”), VAu 637-771 (the “2004 Registration”), and VAu 1-179-990 (the “2014 Registration”). (Mot. at 3.)⁸ Generally, Pixels alleges that Plaintiff’s representatives submitted inaccurate facts regarding these registrations to the Copyright Office. The Court finds that questions of fact preclude summary judgment on this theory.

⁸ Pixels does not challenge the validity of the Ju 14671 registration.

1 “Although copyright registration is ‘not a condition of copyright protection,’
2 registration is a precondition to filing an action for copyright infringement.” *Gold Value*
3 *Int’l Textile, Inc. v. Sanctuary Clothing, LLC*, 925 F.3d 1140, 1144 (9th Cir. 2019)
4 (citing 17 U.S.C. §§ 408(a), 411(a)), *cert. denied*, 140 S. Ct. 1294 (2020). A copyright
5 registration certificate “shall constitute prima facie evidence of the validity of the
6 copyright and of the facts stated in the certificate.” 17 U.S.C. § 410(c). A certificate of
7 registration satisfies this requirement “regardless of whether the certificate contains any
8 inaccurate information, unless (A) the inaccurate information was included on the
9 application for copyright registration with knowledge that it was inaccurate; and (B) the
10 inaccuracy of the information, if known, would have caused the Register of Copyrights
11 to refuse registration.” 17 U.S.C. § 411(b)(1).⁹
12

13 The 1909 Copyright Act (“1909 Act”) governs the validity of three copyrights at
14 issue because Sid Avery created them prior to 1978. *See Self-Realization Fellowship*
15 *Church v. Amanda Church of Self-Realization*, 206 F.3d 1322, 1325 (9th Cir. 2000).
16 “Under the 1909 Act, an unpublished work was protected by state common law
17 copyright from the moment of its creation until it was either published or until it received
18 protection under the federal copyright scheme.” *ABKCO Music, Inc. v. LaVere*, 217 F.3d
19 684, 688 (9th Cir. 2000) (quotation omitted). When a work was published, it lost
20 common law protection, and the owner could only protect it by complying with the 1909
21 Act’s requirements for registration. *Id.* Under § 9 of the 1909 Act, the creator secured
22 copyright for his or her work by publishing “with the notice of copyright required by this
23 title.” *Id.* If the creator published the work *without* complying with these requirements,
24

25 ⁹ 17 U.S.C. § 411(b)(2) provides that, before a district court can invalidate a registration on the basis of
26 material misrepresentations in the application, it must first obtain input from the Register of Copyrights
27 as to whether the information would have caused it to refuse registration. The court can, however,
28 “demand that the party seeking invalidation first establish that the other preconditions to invalidity are
satisfied before obtaining the Register’s advice on materiality.” *DeliverMed Holdings, LLC v. Schaltenbrand*, 734 F.3d 616, 625 (7th Cir. 2013).

1 the work entered the public domain. *Id.* The 1909 Act did, however, allow for the
2 registration of “certain works . . . of which copies are not reproduced for sale,” including
3 photographs. *See* 17 U.S.C. § 11 (1909 Act).

4
5 The parties agree that the images at issue were registered as unpublished
6 photographs. (*See* SGD ¶¶ 3.a.2, 3.b.4, 3.c.2.) The issue is whether, in so doing, the
7 claimants knowingly provided inaccurate information because the applications included
8 images that had already been published. *See* 17 U.S.C. § 411(b)(1)(A). Although it held
9 enormous significance, the act of “publication” was not defined in the 1909 Act, but
10 shaped by existing and subsequent case law. *See Am. Vitagraph, Inc. v. Levy*, 659 F.2d
11 1023, 1026–27 (9th Cir. 1981). The leading treatise explains that, under the 1909 Act,
12 “publication occurred when, by consent of the copyright owner, the original or tangible
13 copies of a work are sold, leased, loaned, given away, or otherwise made available to the
14 general public, or when an authorized offer is made to dispose of the work in any such
15 manner, even if a sale or other such disposition does not in fact occur.” 1 Nimmer on
16 Copyright § 4.03 (2019) (footnotes omitted). However, under the 1909 Act, as today,
17 courts generally distinguished between “general” and “limited publication,” “holding that
18 only the former operates to divest common law copyright and subject a work to the
19 federal statutory scheme.” *Am. Vitagraph*, 659 F.2d at 1026–27. “General publication
20 has been stated to be such a dissemination of the work of art itself among the public, as
21 to justify the belief that it took place with the intention of rendering such work common
22 property.” *Id.* (quotation omitted). By contrast:

23
24 A limited publication ‘communicates the contents of a [work] . . . to a
25 definitely selected group and for a limited purpose, and without the right of
26 diffusion, reproduction, distribution or sale . . . [and] does not result in loss
27 of the author’s common-law right to his [work]. . . . [T]he circulation must
28 be restricted both as to persons and purpose, or it can not be called a private
or limited publication.

1 *Id.* (quoting *White v. Kimmell*, 193 F.2d 744, 746–47 (9th Cir. 1952)) (alterations in
2 original).

3
4 As relevant here, the 1976 Registration covers an image of the *Ocean’s Eleven*
5 cast, circa 1960. (See FAC Ex. 1 [Figure 9]; Dkt. 94-12 [Certificate of Registration for
6 Ju 14776, hereinafter “1976 Registration”].) The application was submitted by Sid
7 Avery and approved in 1976. (*Id.*) Pixels argues that the copyright is invalid and
8 unenforceable because Sid Avery published the image before registering it as an
9 unpublished image. Specifically, Pixels has presented evidence that Sammy Davis, Jr.
10 acquired a print of the image around 1961. (See Dkt. 94-26 [Deposition of Ronald
11 Avery, hereinafter “Avery Depo.”] at 238–39.) However, neither side has presented
12 evidence illuminating the details of this transaction. Ron Avery testifies that—at most—
13 this would have been a singular gift to a friend, with explicit or implicit instructions
14 limiting how Mr. Davis could use or circulate the image. (See *id.*) Sharing the image in
15 this way, “to a definitely selected group and for a limited purpose, and without the right
16 of diffusion, reproduction, distribution or sale” would not qualify as general publication,
17 and would be consistent with the subsequent application. See *Am. Vitagraph*, 659 F.2d at
18 1027 (quotation omitted). Accordingly, the Court finds that there are genuine issues of
19 material fact as to whether Sid Avery provided false information in the application for
20 the 1976 Registration.

21
22 As relevant here, the 2004 Registration covers two photographs of Frank Sinatra,
23 circa 1954. (See FAC Ex. 1 [Figures 1–2]; Dkt. 94-13 [Certificate of Registration for
24 VAu 637-771, hereinafter “2004 Registration”].) The application was submitted by Ron
25 Avery on behalf of Plaintiff on April 7, 2004 and approved on May 14, 2004. (*Id.*)
26 Similarly, the 2014 Registration covers one image of Frank Sinatra at a recording
27 session, circa 1957. (See FAC Ex. 1 [Figure 3]; Dkt. 94-14 [Certificate of Registration
28 for VAu 1-179-990, hereinafter “2014 Registration”].) The application was submitted by

1 Andrew Howick, Plaintiff’s Director of Photography, on behalf of Plaintiff and approved
2 on July 21, 2014. (*Id.*) Pixels argues that the applications for both registrations included
3 false information because they included several images that had already been published.
4 Specifically, Pixels argues that the 2004 and 2014 Registrations cover several images—
5 not otherwise at issue in this case—used on record covers for Sinatra albums. (*See*
6 Avery Depo. at 58–59, 120.) Plaintiff responds that when Ron Avery and Howick
7 submitted the applications, they had no knowledge that the images had been previously
8 published. (*See id.* at 58–59, 61.) Accordingly, the parties dispute whether the claimants
9 submitted the applications with knowledge that they contained inaccurate information.
10 *See* 17 U.S.C. § 411(b)(1).
11

12 Ron Avery and Howick knew that Sid Avery had taken photographs of Sinatra that
13 were used as album art. (Avery Depo. at 58–59; Dkt. 94-25 [Deposition of Andrew
14 Howick, hereinafter “Howick Depo.”] at 63, 162–73.) According to Pixels, this kind of
15 “general awareness” satisfies the knowledge requirement of § 411(b)(1). (*See* Mot. at
16 21–22; Dkt. 105 [Reply] at 19 [citing *Gold Value Int’l Textile, Inc.*, 925 F.3d at 1147].)
17 The Ninth Circuit has never announced such a rule, and it is not the law. The case cited
18 by Pixels never suggests a “general awareness” standard. *See Gold Value Int’l Textile,*
19 *Inc.*, 925 F.3d at 1147. Indeed, the defendant in that case had *specific* knowledge that it
20 had previously sold the textile designs at issue. *Id.* The Ninth Circuit explained that it
21 was not dispositive that the defendant did not know that the sale constituted
22 “publication.” *Id.* However, it never implied that a “general awareness” of the *facts*
23 underlying the publication was sufficient. *See id.* The plain language of the statute
24 demands more than general awareness; it requires “knowledge” that certain information
25 “was inaccurate.” *See* 17 U.S.C. § 411(b)(1).
26

27 Pixels also challenges the credibility of Howick and Ron Avery’s testimony as to
28 the 2014 Registration. It argues that they must have known about the album artwork at

1 issue because their company published a book featuring the album covers two years
2 before the 2014 application. (*See* Avery Depo. at 58–59, 120; Howick Depo. at 63, 162–
3 73.) In general, “[c]redibility determinations are for the trier of fact and, therefore, are
4 not appropriately resolved by summary judgment.” *See Hanon v. Dataproducts Corp.*,
5 976 F.2d 497, 507 (9th Cir. 1992). Pixels has a valid basis to challenge the witnesses’
6 credibility, but the Court cannot resolve this factual issue at this stage. Accordingly, the
7 Court finds that there are genuine issues of material fact as to whether the applications
8 included false information that the applicants knew to be false.

9 10 **F. Damages**

11
12 Finally, Pixels ask the Court to limit the scope of possible damages to \$200 per
13 image for Plaintiff’s copyright claims. 17 U.S.C. § 504(c)(2) provides “[i]n a case where
14 the infringer sustains the burden of proving, and the court finds, that such infringer was
15 not aware and had no reason to believe that his or her acts constituted an infringement of
16 copyright, the court in its discretion may reduce the award of statutory damages to a sum
17 of not less than \$200.” Infringement is not innocent if the defendant “had knowledge
18 that its conduct represented infringement or . . . recklessly disregarded the possibility.”
19 *Mango v. Buzzfeed, Inc.*, 356 F. Supp. 3d 368, 375 (S.D.N.Y. 2019) (quotation omitted).
20 As discussed above, Pixels has not presented any evidence addressing the operations of
21 its vendors or its control over them. Without this information, the Court declines to
22 resolve this discretionary issue at the summary judgment stage.

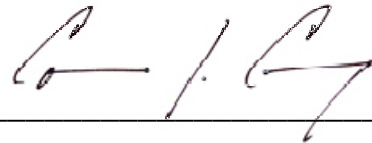
23
24 Nevertheless, the Court is skeptical that Plaintiff will be able to support a claim for
25 significant damages. It is undisputed that Pixels responded promptly upon receiving
26 notice of the infringing images. Pixels’ profits and Plaintiff’s actual damages are
27 apparently very modest—perhaps less than \$100. (*See* Broihier Decl. ¶ 34.) The Court
28 therefore strongly believes this case should settle. The cost of continued litigation will

1 almost certainly outstrip the amount in controversy. The Court encourages counsel on
2 both sides to use their best efforts to resolve this dispute informally and to avoid wasting
3 their clients' resources.

4
5 **V. CONCLUSION**

6
7 For the foregoing reasons, Pixels' motion for summary judgment is **GRANTED**
8 **IN PART AND DENIED IN PART**. It is **GRANTED** as to Plaintiff's second and third
9 claims for removal and modification of copyright management information, which are
10 hereby dismissed. It is **DENIED** as to Plaintiff's copyright infringement claim.

11
12
13 DATED: August 18, 2020

A handwritten signature in dark ink, appearing to read 'C. J. Carney', is written over a horizontal line.

14
15 CORMAC J. CARNEY
16 UNITED STATES DISTRICT JUDGE
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